

Mossack Fonseca: Panama Removed from FATF Gray List



Mossack Fonseca - On February 18, 2016, the Financial Action Task Force (FATF) announced that Panama is no longer on the gray list of non-cooperative countries. As per the FATF, the gray list is comprised of jurisdictions with “strategic deficiencies in anti-money laundering / countering the financing of terrorism measures”.

The FATF agency review group recognized the significant progress made by Panama in improving its anti-money laundering (AML)/countering the financing of terrorism (CFT) measures, and noted that they have [established legal and regulatory frameworks](#) to accomplish their commitments in their action plan regarding the strategic deficiencies that the FATF had identified in June 2014. As a result of the FATF’s findings, Panama is no longer subject to their monitoring process.

In May of 2014, Former Panama Finance Minister Frank De Lima said in a forum organized by the publication ANPanama that the country would be included on the gray list, without having the time necessary to make any substantive changes.

It only took a year and a half for Panama to complete the complex legal and regulatory (e.g., Law 23 of April 17th, 2015) changes necessary to exit the gray list. As part of the new law and regulations, an administrator was appointed who is responsible for supervising the nonfinancial individuals and companies who are obligated to comply with the law and the professionals already subject to supervision with regard to money laundering, terrorism financing, and the financing of weapons of mass destruction.

Over 21 correspondent banks in Panama were dropped due to their inclusion on the FATF gray list.

In addition, the country has been training the personnel who work in the relevant supervisory institutions on the implementation of the measures required by the FATF.